

REMARKS

Overview

Claims 46-54 and 62-65 are pending in the present application. All claims are rejected. Claims 46 and 48 have been amended. Claims 62-65 are new. The Office Action mailed June 6, 2008, has been carefully reviewed. The present response is an earnest effort to place all claims in proper form for immediate allowance. Reconsideration and passage to issuance is therefore respectfully requested.

Claim Rejections Under 35 U.S.C. § 103

Claims 46-51 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Carmichael, 1992 in view of Mercer et al., U.S. Patent Publication No. 2004/008828 A1. These rejections are respectfully traversed.

Carmichael is directed towards floor planning. As the Office Action recognizes, Carmichael does not disclose "requiring the party to electronically read at least one identification tag associated with the audit" and does not disclose "requiring the party to send audit information based on the at least one identification tag to the first party" (Office Action, p. 3). Recognizing these deficiencies of Carmichael, the Office Action relies upon Mercer et al.

Mercer et al. is directed towards an automobile identification labeling and tracking system (title) where RFID tags may be used for tracking and identification (see e.g. Paragraph 0033; Paragraph 0045; and Paragraph 0046).

The Office Action fails to set forth a *prima facie* case of obviousness for a number of separate and distinct reasons.

Mercer et al. does not disclose all which the Office Action purports

First, Mercer et al. does not disclose what the Office Action alleges Mercer et al. to disclose. In particular, claim 46 recites "requiring the... party to electronically read at least one identification tag associated with the audit" and further recites "requiring the ...party to send audit information based on the at least one identification tag to the first party." Mercer et al.'s disclosure of reading an identification tag is not in the context of an audit, thus Mercer et al. does not disclose that its identification tag is associated with an audit. Moreover, Mercer et al. makes no disclosure of sending audit information based on the at least one identification tag to the first party. Mercer et al.'s use of identification tags for tracking, maintaining inventory, and the like allows a car dealer to collect and maintain such information. However, Mercer's use of identification tags does not provide a party providing financing under an agreement with any assurance that the car dealer is complying with the agreement.

To clarify, the nature of the relationship involved, claim 46 has been amended. Claim 46 now recites "A method for verifying compliance with an agreement *between a first party and a second party, the agreement* associated with an asset wherein *the second* party to the agreement maintains control over the asset under the agreement, comprising: notifying the *second* party of an audit of the asset; requiring the *second* party to electronically read at least one identification tag associated with the audit; requiring the *second* party to send audit information based on the at least one identification tag to the first party; determining that the *second* party is complying or not complying with the agreement based on the audit information."

No convincing evidence to combine the references in the purported manner

It is further submitted that the Office Action does not provide any convincing evidence that one skilled in the art would be inclined to make the claimed combination. The Office Action states that "It would have been *prima facie* obvious to one of ordinary skill in the art at the time of the invention to incorporate Mercer's method of using RFID tags to track vehicles with Carmichael's method of floor plan financing. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of making it easier and more efficient for lenders in floor plan financing to determine whether a vehicle has been removed from the dealership of the borrower. If a vehicle has been removed from a dealership, then that signifies that the vehicle has been sold and a payment is due to the lender." (Office Action, p. 3).

The purported motivation to combine is simply not credible, let alone convincing. One of the significant issues in floor plan financing is the need for auditing. Combining Carmichael with Mercer et al. in the manner proposed by the Office Action does not provide for auditing. The lenders would have to rely upon the information from the dealership's tracking and inventory system as opposed to an audit. Such information could be inaccurate, incomplete, or tampered without. The proposed combination ignores the claimed invention and merely would provide a type of self-reporting. Thus, there is no convincing evidence to combine Carmichael with Mercer et al. in the manner proposed by the Office Action.

The cited prior art teaches away from the claimed invention

It is further observed that Carmichael teaches away from the claimed invention. In particular, Carmichael teaches that "A movement away from the traditional pay-as-sold type of floorplanning is occurring because of the high cost of periodic floor checks and the difficulty in

auditing dealers with fast inventory turns" (p. 1, Abstract). Thus Carmichael teaches away from floorplanning with audits. The invention of claim 46 may address these problems.

There is a long-felt need for the invention as evidenced by the Carmichael reference

It is further submitted that the Carmichael reference, dated 1992, is indicative of the long felt need for the claimed invention. In particular Carmichael recognizes that there are high costs associated with periodic floor checks and difficulties in auditing dealers with fast inventory turns. The invention of claim 46 addresses this need by taking a new approach, where instead of a physical floor check, the method involves notifying that there is an audit of an asset, requiring the electronic reading of an identification tag associated with the asset, and requiring the sending of audit information based on the identification tag. In such a method, the high costs associated with periodic floor checks and the issues of fast inventory turns can be avoided.

For all of these reasons, this rejection to claim 46 should be withdrawn. As claims 47-51 depend from claim 46, these rejections should also be withdrawn.

Claim 52 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Carmichael, 1992 in view of Mercer et al., U.S. Patent Publication No. 2004/008828 A1, and further in view of Hull et al., U.S. Patent Publication No. 2004/0088228 A1. The deficiencies of Carmichael and Mercer et al. have already been addressed with respect to claim 46, from which claim 52 depends. Hull et al. does not remedy these deficiencies. Therefore, it is respectfully submitted that this rejection must also be withdrawn.

Claims 53 and 54 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Carmichael, 1992 in view of Mercer et al., U.S. Patent Publication No. 2004/008828 A1, and further in view of Adams et al., U. S. Publication No. 2003/0031819 A1. The deficiencies of

Carmichael and Mercer et al. have already been addressed with respect to claim 46, from which claims 53 and 54 depend. Adams et al. does not remedy these deficiencies. Therefore, it is respectfully submitted that these rejection must also be withdrawn.

New Claims

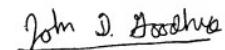
Claims 62-65 are new claims supported by the original specification as should be readily apparent. Claim 62 is supported at least by the Original Specification, p. 9, lines 24-26. Note that claim 63 is similar to claim 51 and claim 64 is similar to claim 54. New claim 65 is similar to claim 46 but uses alternative language.

Conclusion

No fees or extensions of time are believed to be due in connection with this amendment; however, consider this a request for any extension inadvertently omitted, and charge any additional fees to Deposit Account No. 26-0084.

Reconsideration and allowance is respectfully requested.

Respectfully submitted,



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